

“U-S.-Latin American Relations: A Look Ahead”

Remarks by WHA Assistant Secretary Arturo A. Valenzuela

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Introduction

I want to begin by thanking the Brookings Institution for this invitation. I very much appreciate the great work done by Mauricio, Ted, Carol Graham, Diana Negroponte, and the other scholars at Brookings who focus on Latin America. It is a special pleasure to see my good friend, Abe Lowenthal, the dean of that remarkable group of scholars who pioneered the field of U.S.-Latin American relations. Abe has not only contributed to our understanding of the field, but also has created institutions to bridge the Americas.

The new book **“Shifting the Balance: Obama and the Americas”** is an excellent contribution to understanding how U.S. policy has changed under the current administration. Brookings has assembled an insightful group of authors to examine how the Obama Administration is charting a new course in its Latin America policy, as well as the risks and opportunities that we have faced in the past two

years. The analysis of many of our key bilateral relationships – including Mexico, Brazil, Colombia, Venezuela, Bolivia and Haiti – is thought-provoking. And the only point I’m going to say about Dan Erikson’s chapter on Cuba is that we finally decided that the best way to get him to stop writing things like this was to hire him at the State Department.

Since its first days in office, the Obama Administration has worked very hard to shift the balance in the U.S.-Latin American relationship in a positive and constructive direction – and we are confident that our approach is achieving results. I see so many here who, like me, have spent the better part of their careers studying the Americas, or U.S. policy in the region. For us, in particular, these are fascinating times. That’s because we are seeing the convergence of two powerful and positive trends: the consolidation of successful market democracies that are making big strides in meeting their peoples’ needs, and the growing global integration of Latin America. These trends are fundamentally reordering our interaction with each other.

Indeed, our greatest regional challenges – including inequality, the impunity of power, lack of rights, ineffective institutions, lack of

opportunity – are receding in most countries in the Americas. And nations of the hemisphere are realizing their stake in new global challenges, like food security, climate change, transnational crime, and economic competitiveness. Most importantly, they are realizing their capacity to act, on a global level, to address these issues. So there is a whole new set of incentives for democratic societies to adjust national policies, pursue greater regional integration, and join in new networks of partnership around the world in order to help meet the tests of our times.

Therefore, any discussion of U.S. policy in the Americas has to start from the recognition that the world has changed. It's getting harder to extrapolate from the past to predict what's around the corner, or to advance our interests based on traditional ways of doing business.

These considerations are at the core of the Quadrennial Diplomacy and Development Review, also known as the QDDR, that the State Department just unveiled. Secretary Clinton initiated the groundbreaking QDDR process to enhance our capacity to lead through civilian power. As she has emphasized, advancing American interests and values will require leading other nations in solving

shared problems in the 21st century. Therefore, we must increase our reliance on our diplomats and development experts as the first face of American power.

In 2011, the concepts underpinning the QDDR will also guide our approach of “dynamic engagement” that seeks to advance U.S. interests in partnership with Latin America as a whole, while recognizing the value of accommodating diverse needs and interests. The Obama Administration has focused our efforts on four over-arching priorities critical to people in every society: promoting social and economic opportunity for everyone; securing a clean energy future; ensuring the safety and security of all of our citizens; and building effective institutions of democratic governance. All this we seek to achieve while harnessing and strengthening multilateral and regional institutions, especially the Organization of American States.

Our priorities are based on the premise that the United States has a vital interest in contributing to the building of stable, prosperous, and democratic nations in this hemisphere that can play a pivotal role in building a rules-based international system capable of meeting today’s global challenges. Achieving that objective has required an important shift in the conduct of U.S. foreign policy. As

President Obama and Secretary Clinton have said, policy must be conducted on the basis of mutual respect and co-responsibility through dialogue and engagement. The United States must be a more effective and determined partner in helping countries throughout the Americas achieve their own chosen paths as determined by their own people. With this in mind, we have developed collaborative platforms like Pathways to Prosperity and the Energy and Climate Partnership of the Americas, which invite partner governments to join us in addressing key elements of the hemispheric agenda. We are also pursuing diplomatic initiatives to support racial and ethnic inclusion in the hemisphere and look forward to increasing these efforts during 2011, which the United Nations has named the International Year for People of African Descent.

Today, we remain very optimistic about the state of the hemisphere. Indeed, the Western Hemisphere is experiencing a period of economic and political health that is a far cry from the troubles of the past. Not only did the region avoid the worst effects of the financial crisis, but current growth rates are projected to exceed five percent this year. And politically speaking, we welcome the reduction in tensions between Colombia and its neighbors, and note

the smooth transfer of power that has occurred in many countries throughout the Americas.

Moreover, the Obama Administration's new strategy of engagement has contributed to a shift in Latin American public opinion. In the 2010 poll by the public opinion research firm *Latinobarometro*, two-thirds of the population in most countries had favorable attitudes toward the United States – an increase of 10 to 20 points from 2008 levels. The role of the United States in Latin America is also overwhelmingly viewed as positive. This suggests that the Obama Administration's strategy has prompted an important replenishment of U.S. soft power in Latin America, thereby reversing the dangerous depletion of good will toward the United States that had occurred during the prior decade. Indeed, the region's reaction to the recent Wikileaks cables incident, far from disrupting our regional relations, has actually highlighted their renewed strength. While the United States deeply regrets the disclosure of any information that was intended to be confidential, we are also heartened by the support and understanding that has been offered by most of our regional partners.

We also recognize the central role played by economic integration in our hemispheric relations. In 2009, total U.S. merchandise trade between the United States and Latin America and the Caribbean reached \$524 billion and more than 40 percent of the region's exports flowed to the United States, making us the region's single largest export destination – as well as the largest source of foreign direct investment – and the Western Hemisphere, including Canada, absorbs 42 percent of U.S. exports. Around 84 percent of our overall trade with the region takes place with our FTA partners. Half of our energy imports come from the Western Hemisphere.

Latin America will be a key target of the President's National Export Initiative, known as NEI. As part of his strategy for restoring strong economic growth in the United States, President Obama has called for doubling U.S. exports in 5 years – an ambitious goal. Last month's deal with South Korea paves the way for congressional approval of a long-stalled FTA with a crucial Asian ally, and may create an opportunity to work through outstanding issues and move forward on our other two pending FTAs with Colombia and Panama.

Of course, the 33 countries of Latin America and the Caribbean, as well as Canada, all have unique attributes that present different

opportunities for U.S. policy. In order to provide some context, let me briefly review the state of our relations in the hemisphere and preview our priorities for 2011.

In South America, the United States has forged especially strong partnerships with Brazil, Colombia, Peru, and Chile. Our relations with these countries have never been so comprehensive, with both regional and global dimensions. Secretary Clinton's recent trip to Brasilia to attend the inauguration of President Dilma Rousseff highlights our desire to develop a deeper relationship with Brazil to help address issues such as facilitating the global economic recovery and combating climate change. We look forward to establishing a strong working relationship with President Rousseff and her government. We have also struck a new tone in our dialogue and engagement with Uruguay and Paraguay.

The Administration has also actively engaged with the countries of the Andes. Last fall, President Obama met with his counterpart Colombian President Juan Manuel Santos at the United Nations in New York where they announced the creation of the High Level Partnership Dialogue, which was launched by Deputy Secretary Steinberg when he traveled to Colombia in October. We are working

to finalize a new framework agreement with Bolivia that will strengthen the bilateral relationship, and we have engaged Ecuador on a range of important bilateral and regional issues. We strongly believe that the U.S. interest is served when we engage both with our friends and allies, as well as those countries with whom we may not see eye to eye.

Mexico, Central America, and the Caribbean

The recent *Latinobarometro* poll also confirmed something that the Obama Administration has recognized in our policy: that the greatest concern of citizens throughout the hemisphere is achieving safety and security and combating the rise of international crime. Thus, we have increased our partnerships with countries to improve citizen safety, especially in Mexico, Central America, and the Caribbean. Without basic security for all, countries cannot reach their full economic and social potential.

The United States and Mexico have built an especially close partnership over the past two years, in large part through our cooperative law enforcement efforts to dismantle transnational organized criminal groups. Congress has appropriated \$1.5 billion to

support the Merida Initiative assistance programs. By the end of 2010 the U.S. government delivered eight helicopters, millions of dollars worth of other equipment, and trained over 6,700 Federal Police officers, as well as over 3,000 prosecutors and judicial authorities. We have shifted Merida's focus away from supplying big ticket equipment to providing more training and technical assistance. We are also partnering with Mexico to help institutionalize justice sector reforms to sustain the rule of law and respect for human rights – and build a stronger institutional basis for combating the drug trade. In addition, the United States is increasing its own domestic law enforcement efforts to dismantle Mexican narcotics supply networks in our country, and the smuggling of illegal financial proceeds and weapons into Mexico. Although the road ahead remains challenging, we are certain that this is the right approach that will lay the groundwork for long-term sustainable results.

But we have learned that a successful approach to security challenges must be a comprehensive regional one. That is why the United States is also working to enhance citizen safety through the Central America Regional Security Initiative and the Caribbean Basin Security Initiative, to break the power, violence, and impunity of the

region's drug, gang, and criminal organizations, and strengthen law enforcement and justice sector institutions. Our support for Central America and the Caribbean is by no means limited to security, however. In El Salvador and Honduras, the U.S. government's Millennium Challenge Corporation has spent almost \$700 million in recent years, modernizing farms and building or improving hundreds of miles of highway. In the Caribbean, through the President's Emergency Plan for AIDS Relief (PEPFAR), the United States works with 15 Caribbean countries to treat and prevent exposure to HIV, provide care and treatment, and eliminate the stigma and discrimination that perpetuate the disease.

We are also improving our coordination with other donors, like the European Union and the multilateral development banks, to work more effectively with partners in the Caribbean and Central America. These efforts will allow us to achieve better results in the fields of security and improving social inclusion, all based on the concept of co-responsibility, which means that countries in the region also need to be prepare to share the burden, including by providing financial and human resources to achieve these goals.

Since taking office, President Obama has made clear his commitment to supporting the Cuban people's desire to freely determine their own future. During the first two years of the Obama Administration, we have begun to make progress on the vision that the President has outlined, including taking measures to increase contact between separated families and to promote the free flow of information to, from, and within Cuba. In addition, we have engaged Cuban authorities on key bilateral matters, like migration and direct mail service.

We are also continuing to help the Haitian people rebuild after the terrible earthquake that struck the country a year ago. As President Obama emphasized shortly after the earthquake, U.S. commitment to Haiti will be sustained. We are proud of the role of the United States in the unprecedented bilateral and multilateral cooperation in support of Haiti. There has been progress, and, while uneven, it has deepened the resolve and commitment to Haiti of the international community, including the United States.

Democratic Challenges

We recognize that our goals of facilitating regional prosperity, citizen safety, and a clean energy future will require building stronger institutions of democratic governance that respect fundamental civil and human rights. Still, as we work with our partners to strengthen democratic institutions in the community of the Americas, we are cognizant of the continuing weaknesses in democratic procedures and practices and the threats to their consolidation. Collectively, we need to be clear-eyed and proactive in addressing risks to our common agenda, including attempts to expand majoritarian or populist rule at the expense of fundamental minority rights and effective democratic governance based on dialogue and consensus within the rule of law. And while we congratulate the popular leaders who have opted to leave office in accordance with the institutions of democratic governance, rather than promoting constitutional changes to stay in power, we regret that the opposite trend has taken root in several countries.

Events in Venezuela raise serious concerns in this context. Particularly worrisome, among other developments, is the recent delegation of legislative authority to the executive that extended beyond the term of office of the outgoing National Assembly. This

undemocratic measure violates the shared values enshrined in the Inter-American Democratic Charter, which will mark its tenth anniversary this year. We are committed to looking for ways to more effectively implement the charter as a safeguard of core democratic principles.

The coup d'état that occurred in Honduras in June 2009 marked an egregious setback to democratic governance in the region. We are, however, pleased that during 2010 Honduras made significant progress in strengthening democratic governance, promoting national reconciliation, and restoring diplomatic relations with many countries in the hemisphere. In our view, President Lobo has prepared the groundwork for the restoration of Honduras to the Organization of American States.

Though our agenda remains manifestly inclusive and seeks points of convergence even in difficult cases, we remain steadfast in our commitment to core principles and recognition of key values like human and labor rights, press freedom, and the importance of robust democratic institutions.

In conclusion, we are committed to a vision of U.S. policy that is respectful, responsive, and realistic. Our common embrace of a

qualitatively new level of partnership holds vast potential to help us thrive in our diversity and freedom. I thank you for your attention.